GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:916
ANSWERED ON:17.08.2007
LOAN TO EXPORTERS
Gangwar Shri Santosh Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have issued directions to provide cheaper loans by the banks to the exporters affected due to the rupee growing stronger;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a), (b) & (c): Reserve Bank of India issued circular no DBOD. Dir(Exp) BC.No.22/04.02. 01/2007-08 on July 13, 2007 regarding provision of interest subvention of 2 percentage: points per annum to all scheduled commercial banks in respect of rupee export credit provided to following categories of exporteis:

I. Specified sectors

(i) Textiles (including Handlooms)
(ii) Readymade Garments
(iii) Leather Products
(iv) Handicrafts
(v) Engineering Products
(vi) Processed Agricultural Products
(vii) Marine Products
(viii) Sports Goods
(ix) Toys

II. All exporters in the Small and Medium (SME) sector.

Accordingly, the banks would now charge interest not axceeding BPLR minus 4.5% on pre- shipment credit upto 180 days and post-shipment credit! upto 90 days on trie: outstanding export credit for the period April 1, 2007 to December 31, 2007 from these categories of exporters (as against not exceeding BPLR minus 2.5% for other categories of exporters).